



**GREATER KC
FOOD POLICY
COALITION**
kchealthykids

November 14, 2019

The Governor's Council on Tax Reform
Chairperson Janis Lee and Steve Morris

Dear Chairpersons Lee and Morris and members of the Governor's Council on Tax Reform,

The Greater Kansas City Food Policy Coalition is an alliance of individuals, businesses and organizations cooperating to advocate for a strong regional food system in which all residents have access to healthy, affordable food. **We, the undersigned, ask you to do the right thing for Kansas farmers, retailers and shoppers; work to eliminate the harmful state sales tax on food.**

Food is a necessity. That's one of the reasons 36 states do not tax food sales. Kansas is one of only seven states to charge the full sales tax on food. In addition to paying the state sales tax rate of 6.5% when buying food, Kansans must also pay additional local sales taxes, bringing the total to 11% in some areas. Is it any wonder that Kansans rank 45th in the nation in fruit and vegetable consumption according to the CDC?

Taxing food is bad for Kansas. Kansas' state tax on food puts an unfair burden on low income families, hurts rural grocers and their employees, and drives shoppers across state lines to buy food. KC Healthy Kids commissioned the Kansas Public Finance Center at Wichita State University to publish a series of reports examining these three ways sales tax on food impacts Kansans. Here are some highlights from the studies.

It places an unfair burden on the poor and those in rural areas. A household in the lowest income group pays anywhere from 2.7 percent to 8.4 percent more of their income in taxes on groceries than does a household in the highest income level.

It hurts rural grocery stores. Sales tax on food costs the average rural Kansas grocer close to \$18,000 per year by reducing grocery sales and forces customers to purchase lower-quality, less expensive items. Consumers in rural counties with fewer retailers are more likely to leave the area to shop in places with more retail options and lower taxes/prices.

It drives shoppers out of state. The study found the current sales tax drives shoppers across state and county lines to save money on food. The result is slowed sales growth in border counties, and cannibalization of income among Kansas counties. Of the state's 105 counties, 40 share a border with neighboring states. Colorado and Nebraska exempt all food sales from taxation, and Missouri's state food sales taxes are only 1.225%. Oklahoma, like Kansas, does not exempt food sales taxes, but has a lower state sales tax of 4.5%

Lowering the sales tax on food would benefit the economy and put dollars back into the pockets of struggling Kansans. We ask you to acknowledge the harm done by the food sales tax in your interim report and recommend a plan for ameliorating this situation in the final report.

Sincerely,

Emily Lectyer, Chairperson

Beth Dawson, Past Chairperson

Karen Siebert, Vice Chairperson

Teresa Kelly, Secretary

Rob Reiman The Giving Grove

Rob Reiman, The Giving Grove, KC Community Gardens

Lisa Markley, MS, RDN

Lisa Markley, MS, RDN

Teresa Kelly

Teresa Kelly

Leigh Wagner

Leigh Wagner, University of Kansas Medical Center

U of KS Med Ctr

Leigh Wagner

Leigh Wagner, University of Kansas Medical Center

Andrea Clark

Andrea Clark, KC Healthy Kids

KC Healthy Kids

STU SHAFER

Stu Shafer

Valerie Nicholson-Watson

Valerie Nicholson-Watson,
Harvesters- The Community Food Network